

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WHITE PLAINS NATURAL GAS SYSTEM)	
<hr/>)	CASE NO. 2006-00046
)	
ALLEGED VIOLATIONS OF)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:022 and 49 CFR 189-199)	

O R D E R

White Plains Natural Gas System (“White Plains Gas”) is a municipally owned natural gas distribution system serving the city of White Plains in Hopkins County, Kentucky. White Plains Gas serves approximately 100 residential and commercial customers through a distribution system constructed in 2000.

White Plains Gas, a municipally owned gas distribution system, is subject to the safety jurisdiction of the Commission pursuant to KRS 278.495(2). White Plains Gas is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws,¹ regulations,² and KRS 278.992.

On November 16, 2005, Commission Staff submitted to the Commission a Utility Inspection Report, a copy of which is appended hereto, in which it alleges that:

1. Contrary to the requirements of 49 CFR Part 192.616, White Plains Gas does not have a continuing public education program to inform its customers, the public,

¹ 49 U.S.C. §§ 60101 through 60125.

² 49 CFR Parts 189-199.

and others how to recognize a pipeline emergency and the steps to take in the event of such an emergency.

2. Contrary to the requirements of 49 CFR Part 192.805, White Plains Gas does not have a written Operator Qualification (“OQ”) Plan.

3. Contrary to the requirements of 49 CFR Part 192.805(b), White Plains Gas does not have an employee who has been qualified under the OQ program to perform maintenance on the gas system.

4. Contrary to the requirements of 49 CFR Part 199.101(a), White Plains Gas does not have a written anti-drug plan specific to gas employees.

5. Contrary to the requirements of 49 CFR Part 192.747(a), White Plains Gas was not able to demonstrate through documentation that it has inspected its necessary “key” valves.

6. Contrary to the requirements of 49 CFR Part 192, White Plains Gas’s maintenance personnel have not received training to allow them to join plastic pipe either mechanically or through the heat fusion process.

7. Contrary to the requirements of 49 CFR Part 192.383, new customers of White Plains Gas have not been given notification in writing of the opportunity to have excess flow valves installed on new customer service lines.

Based on its review of the Utility Inspection Report and being otherwise sufficiently advised, the Commission finds that prima facie evidence exists that White Plains Gas has failed to comply with the minimum safety standards of 49 U.S.C. § 60101 and should be subject to the penalties prescribed in KRS 278.992(1).

The Commission, on its own motion, HEREBY ORDERS that:

1. On or before February 20, 2006, White Plains Gas shall show cause in writing why it should not be penalized pursuant to KRS 278.992(1) for its alleged failure to comply with the minimum standards of federal pipeline safety laws. The response of White Plains Gas shall address each allegation contained in the Utility Inspection Report of November 16, 2005.

2. The Utility Inspection Report of November 16, 2005, a copy of which is appended hereto, is made a part of the record of this proceeding.

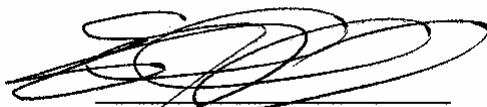
3. For the purpose of considering the possibility of settlement and the simplification of issues, an informal conference shall be held by telephone between White Plains Gas and Commission Staff at 10:30 a.m., Eastern Standard Time, on February 27, 2006. White Plains Gas shall initiate the teleconference by calling 502-564-3940 and requesting extension 7098. White Plains Gas shall have such persons participating in the conference who are knowledgeable about the gas system and facilities and who are authorized to enter into agreements with Commission Staff on behalf of White Plains Gas.

4. The Commission will consider motions for continuance only when made in writing with a showing of compelling reasons why the motion should be granted.

Done at Frankfort, Kentucky, this 8th day of February, 2006.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00046 DATED FEBRUARY 8, 2006

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

WHITE PLAINS NATURAL GAS SYSTEM

November 16, 2005

Report Number: PSC # DTR WhitePlains-092205

BRIEF

Inspector: David B. Kinman

Date of Inspection: September 22, 2005

Type of inspection: Routine Field Inspection

Type of Facility: Natural Gas Distribution System

Name of Utility: White Plains Natural Gas System ("White Plains Gas")

Location of Facility: White Plains, Kentucky

Purpose of inspection: Scheduled Routine Field Inspection

Applicable Regulations and Statutes: 49 CFR Parts 192 and 199 (Federal Pipeline Regulations)

INSPECTION

Description of utility: Municipally-owned natural gas system

Number of Customers: 108

Area of Operation: White Plains, Kentucky

Supply Source: White Plains Gas receives its natural gas through the Orbit Gas System

Distribution Description: This is a natural gas distribution system.

Workforce Summary: 3 employees

Utility Representative Involved in Inspection: David Crick, Manager

Date of Last Inspection: September 24, 2002

Number of Deficiencies Documented in Last Inspection:

Eight deficiencies were noted during the initial inspection of this system in 2002.

They included:

1. White Plains does not have a written Operation and Maintenance Plan.
2. White Plains does not have a written Emergency Plan.
3. There is no written Damage Prevention Plan.
4. White Plains does not have a written Operator Qualification ("OQ") Plan.
5. White Plains does not have a written Drug and Alcohol Plan specific to gas employees.
6. White Plains did not notify its customers in writing that excess flow valves were available for installation on service lines.
7. No records of key valve maintenance have been kept.
8. Maintenance personnel have not been qualified to join plastic pipe, either mechanically or by heat fusion.

Number of Deficiencies Not Cleared from Last Inspection: 5

Summary of items and facilities inspected:

During the inspection, records pertaining to leakage surveys, odorization, patrolling, valve maintenance and other pertinent and necessary records were reviewed. Also reviewed were the Operation and Maintenance and Emergency Plans.

FINDINGS

Deficiency No. 1 White Plains does not have a written public education plan to inform the customers, the public and others on how to recognize a pipeline emergency and the steps to take in the event of an emergency. 49 CFR Part 192.616.

Deficiency No. 2 White Plains does not have a written OQ Plan as required by 49 CFR Part 192.805.

Deficiency No. 3 White Plains does not have an employee who has been qualified under the OQ program to be allowed to perform maintenance on the gas system. 49 CFR Part 192.805(b).

Deficiency No. 4 White Plains does not have a written Drug Plan specific to gas employees. 49 CFR Part 199.101(a).

Deficiency No. 5 Customers have not been offered in writing the opportunity to have installed an excess flow valve to shut off the flow of gas in some emergency situations. 49 CFR Part 192.383(c)(1).

Deficiency No. 6 White Plains was not able to prove through documentation that it had inspected its key valves. 49 CFR Part 192.747(a).

Deficiency No. 7 Maintenance personnel have not received training to allow them to join plastic pipe either mechanically or through the heat fusion process 49 CFR Part 192.285.

RECOMMENDATIONS

It is recommended that White Plains:

1. Write and follow a written public awareness plan.
2. Write and follow an OQ Plan.

3. Maintenance personnel must be qualified under the OQ plan to be allowed to perform maintenance on the system.
4. Write and follow a written drug plan specific to its gas employees.
5. New customers must receive in writing the offering of an excess flow valve for new service lines.
6. Maintenance performed on key valves must be documented.
7. A person certified to join plastic pipe has to make the needed connections when new services are installed or leakage repaired.

Deficiencies 3-7 are repeat violations from the 2002 inspection.

Respectfully submitted,



David B. Kinman
Gas Safety Investigator
Gas Branch, Division of Engineering

DBK:dcp

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